



COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

May 2, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NUMBER TWO TO THE AGREEMENT FOR SERVICES BY
AND BETWEEN THE CONSOLIDATED FIRE PROTECTION DISTRICT OF
LOS ANGELES COUNTY AND THE CITY OF PALOS VERDES ESTATES
(FOURTH DISTRICT) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR HONORABLE BOARD, ACTING AS THE
GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT:**

- 1) Find that Amendment Number Two to the Agreement for Services, by and between the Consolidated Fire Protection District of Los Angeles County ("District") and the City of Palos Verdes Estates ("City") is exempt from the California Environmental Quality Act (CEQA).
- 2) Approve and instruct the Mayor of the Board to sign Amendment Number Two to the Agreement for Services, by and between the District and the City.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The City entered into an agreement with the District effective June 30, 1986 wherein the District provides fire protection, hazardous materials, emergency medical and all related services to the City (Agreement Number 52317). Amendment Number One to the Agreement was adopted by your Honorable Board April 9, 1996. Among other things, Amendment Number One extended the Agreement for an additional ten-year term and imposed a payment cap on the annual increase to the annual fee amount from the previous year.

This proposed Amendment Number Two to the Agreement for Services would extend the Agreement term an additional ten years and modify fee calculations in regards to the annual payment cap.

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS	BRADBURY	CUDAHY	HAWTHORNE	LA MIRADA	MALIBU	POMONA	SIGNAL HILL
ARTESIA	CALABASAS	DIAMOND BAR	HIDDEN HILLS	LA PUENTE	MAYWOOD	RANCHO PALOS VERDES	SOUTH EL MONTE
AZUSA	CARSON	DUARTE	HUNTINGTON PARK	LAKEWOOD	NORWALK	ROLLING HILLS	SOUTH GATE
BALDWIN PARK	CERRITOS	EL MONTE	INDUSTRY	LANCASTER	PALMDALE	ROLLING HILLS ESTATES	TEMPLE CITY
BELL	CLAREMONT	GARDENA	INGLEWOOD	LAWNDALE	PALOS VERDES ESTATES	ROSEMEAD	WALNUT
BELL GARDENS	COMMERCE	GLEN DORA	IRVINDALE	LOMITA	PARAMOUNT	SAN DIMAS	WEST HOLLYWOOD
BELLFLOWER	COVINA	HAWAIIAN GARDENS	LA CANADA FLINTRIDGE	LYNWOOD	PICO RIVERA	SANTA CLARITA	WESTLAKE VILLAGE
		LA HABRA					WHITTIER

FISCAL IMPACT/FINANCING

None.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This Amendment Number Two would provide for the following:

- Extends the Agreement term an additional ten years commencing June 30, 2006.
- Changes the calculation of the annual fee limitation cap from the two options imposed by Amendment Number One, to 4.2% per fiscal year for the five-year period beginning July 1, 2006. For each subsequent fiscal year, the cap shall be the average of the immediately preceding five fiscal years plus one percent (1%).

County Counsel has approved Amendment Number Two as to form. The City Council of Palos Verdes Estates approved this Amendment Number Two on March 28, 2006.

IMPACT ON CURRENT SERVICES OR PROJECTS

None.

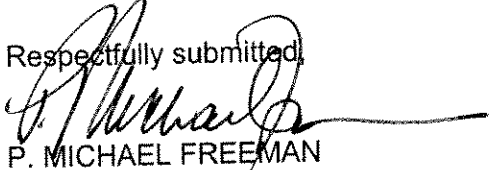
ENVIRONMENTAL DOCUMENTATION

This project is exempt from the CEQA pursuant to Section 15061(b)(3) of the CEQA Guidelines, as it addresses incidental matters related to the provision of services and thus it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. A Notice of Exemption is attached.

CONCLUSION

Please instruct the Executive Officer, Clerk of the Board to return two (2) fully executed originals of Amendment Number Two, two (2) copies of the executed Amendment and two (2) adopted copies of this Board letter to the District. The District will forward one of the fully executed originals to the City for their records.

Respectfully submitted,


P. MICHAEL FREEMAN

PMF:lb

Attachments

c: Chief Administrative Officer
County Counsel

Notice of Exemption

To: ☐ Office of Planning and Research
1400 Tenth Street, Room 212
Sacramento, CA 95812-3044

☒ County Clerk
County of Los Angeles

From: (Public Agency) Cons. Fire Prot. District
1320 N. Eastern Avenue
Los Angeles, CA 90063
(Address)

Project Title: Amendment No. 2 to the Agreement for Services Between the City of Palos
Verdes Estates and the Cons. Fire Protection Dist. of Los Angeles County

Project Location - Specific:

The City of Palos Verdes Estates

Project Location - City: Palos Verdes Estates

Project Location - County: Los Angeles

Description of Project:

Amends the Agreement for services to extend the agreement term and change certain fee calculations.

Name of Public Agency Approving Project: Los Angeles County Board of Supervisors

Name of Person or Agency Carrying Out Project: Cons. Fire Prot. District of Los Angeles County

Exempt Status: (check one)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☐ Categorical Exemption. State type and section number: _____
☒ Statutory Exemptions. State code number: _____

Reasons why project is exempt:

Persuant to Section 15061 (b) (3), this project is not subject to CEQA as it can be seen with certainty that there is no possibility that it may have a significant effect on the environment.

Lead Agency

Contact Person: Lorraine Buck

Area Code/Telephone/Extension: 323 881-2404

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? ☐ Yes ☐ No

Signature: [Signature] Date: 4/4/06 Title: Chief, Forestry Div.

☐ Signed by Lead Agency

Date received for filing at OPR: _____

☒ Signed by Applicant

January 2004

1 **AMENDMENT NUMBER TWO TO THE ANNEXATION AGREEMENT**
2 **BETWEEN THE CITY OF PALOS VERDES ESTATES AND THE**
3 **CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY**
4

5 **THIS AMENDMENT NUMBER TWO** to the Annexation Agreement between the CITY
6 OF PALOS VERDES ESTATES, hereinafter referred to as "CITY", and the CONSOLIDATED FIRE
7 PROTECTION DISTRICT OF LOS ANGELES COUNTY, hereinafter referred to as "DISTRICT",
8 dated May 1, 1986, hereinafter referred to as "Agreement", is made and entered into this
9 _____ day of _____, 2006, by and between the CITY and the DISTRICT.
10

11 **W I T N E S S E T H**

12 **WHEREAS**, the CITY and the DISTRICT entered the Agreement pursuant to which the
13 DISTRICT provides fire protection, emergency medical, and related services to the CITY; and

14 **WHEREAS**, such Agreement was amended on April 9, 1996, by Amendment Number
15 One to the Agreement to extend the term of the Agreement for a minimum of 10 years
16 commencing on June 30, 1996, and to change other terms as stated in the Amendment
17 Number One to the Agreement; and

18 **WHEREAS**, the CITY and the DISTRICT are desirous of modifying the Agreement, as
19 amended by Amendment Number One to the Agreement, to change certain fee calculations
20 and to extend the Agreement for an additional ten-year term. This Amendment Number Two
21 shall supercede Amendment Number One as to the fee calculation and the Agreement term.

22 **NOW, THEREFORE, IN CONSIDERATION** of the promises, covenants,
23 representations and agreements set forth herein, the parties mutually agree as follows:

24 I. SECTION I of the Agreement is amended and restated to read as follows:

25 **SECTION I. OPERATIVE DATE AND WITHDRAWAL FROM DISTRICT**

26 (A) This Agreement shall be deemed operative as of the effective date of annexation of
27 the CITY to the DISTRICT. All terms and conditions of this Agreement, as amended by
28 Amendment Number One and this Amendment Number Two (hereinafter collectively

1 "Amended Agreement"), shall remain in full force and effect for a period of ten (10) years
2 commencing on June 30, 2006, and thereafter shall continue in full force and effect until such
3 time as this Amended Agreement is terminated or otherwise renegotiated.

4 (B) After the end of the ten-year extension period, June 30, 2016, either party may
5 terminate this Amended Agreement on at least one year's written notice to the other.

6 (C) A review of this Amended Agreement and any subsequent amendments may be
7 initiated at any time, by either party, upon written notice to the other; and modifications may
8 be made to this Amended Agreement in writing signed by both parties.

9 II. SECTION III, Paragraph (D) of the Agreement is amended and restated to read as
10 follows:

11 (D) It is understood and agreed that the DISTRICT shall estimate the annual fee for
12 rendering services within the CITY for each ensuing DISTRICT fiscal year and shall submit an
13 estimated Annual Fee for Rendering Services to the CITY as detailed on and in the format of
14 Schedule 1, as amended on April 9, 1996, hereafter referred to as "amended Schedule 1", no
15 later than April 15 of the preceding fiscal year. This estimated Annual Fee shall include
16 estimated costs of salary and employee benefits and overhead.

17 1. The District shall invoice the City monthly for one-twelfth of the said estimated Annual
18 Fee. The CITY, by the first day of each month, in advance, shall pay the DISTRICT one-
19 twelfth of said estimated Annual Fee, which monies shall be held and used by the DISTRICT in
20 the performance of such services. A late payment charge of two percent (2%) per month
21 shall be added to any late payment that is received by the DISTRICT after the last day of the
22 calendar month in which payment is due. However, the penalty herein provided may be
23 waived, whenever the Fire Chief in his discretion finds late payment is excusable by reason of
24 extenuating circumstances.

25 Invoices and general notices shall be sent to CITY at:

26 City of Palos Verdes Estates
27 City Manager
28 340 Palos Verdes Drive West
Palos Verdes Estates, CA 90274

1 Payments shall be sent to DISTRICT at:

2 Los Angeles County Fire Department
3 P. O. Box 54740
4 Los Angeles, CA 90054-0740

5 General notices shall be sent to DISTRICT at:

6 Fire Chief P. Michael Freeman
7 Los Angeles County Fire Department
8 1320 North Eastern Avenue
9 Los Angeles, CA 90063-3294

10 Either party shall notify the other, in writing, of an address change.

11 2. Within 20 days from the date actual budget information is available, the
12 DISTRICT shall provide to the CITY a statement of the actual Annual Fee for Rendering
13 Services in the same format as set forth in amended Schedule 1. If the actual Annual Fee is
14 less than the estimated Annual Fee, the DISTRICT shall credit CITY for the difference, which
15 amount shall be deducted from the first monthly invoice and, if applicable, the following
16 monthly invoices subsequent to the statement of the actual Annual Fee. If the actual Annual
17 Fee is greater than the estimated Annual Fee, the additional amount due DISTRICT will be
18 paid by CITY during the subsequent fiscal year as follows: one-twelfth (1/12) of such
19 additional Annual Fee amount due DISTRICT shall be added and paid in each of CITY's
20 subsequent twelve (12) monthly payments.

21 III. SECTION III, Paragraph (F), previously added to the Agreement pursuant to
22 Amendment Number One, is amended and restated to read as follows:

23 (F) A limitation shall be placed on increases in the amount of actual Annual Fee to be
24 paid by the CITY each year, hereinafter referred to as "Annual Fee Limitation," as follows:

25 a) During the five-year period beginning July 1, 2006, the Annual Fee Limitation
26 shall be four and two-tenths percent (4.2%) per fiscal year. For each subsequent fiscal year
27 beginning July 1, 2011, the Annual Fee Limitation shall be the average of the immediately
28 preceding five fiscal years' actual Annual Fee percentage increases plus one percent (1%).

b) In any fiscal year where the CITY's actual Annual Fee, as determined in

1 Section III (D) herein, exceeds the preceding fiscal year's actual Annual Fee plus the
2 applicable Annual Fee Limitation, hereinafter referred to as "Annual Fee Limitation excess,"
3 payment of the Annual Fee Limitation excess shall be deferred to a subsequent future fiscal
4 year where the actual Annual Fee is less than the Annual Fee plus the Annual Fee Limitation.
5 The Annual Fee Limitation excess will be paid by CITY in any subsequent fiscal year(s) where
6 the actual Annual Fee percentage increase from the preceding fiscal year is less than the
7 Annual Fee Limitation for that fiscal year. The amount of any unpaid Annual Fee Limitation
8 excess to be paid by CITY in any single year when added to the actual Annual Fee increase for
9 that year shall not exceed the Annual Fee plus the Annual Fee Limitation. One-twelfth (1/12)
10 of such Annual Fee Limitation excess shall be added and paid in each of CITY's twelve (12)
11 monthly payments for the subsequent fiscal year to which the Annual Fee Limitation excess is
12 deferred.

13 For purposes of calculation of the Annual Fee Limitation, the Annual Fee shall not
14 include any refunds, rebates, or credits to the CITY of any kind or any charges to the CITY
15 outside of and not contained in the calculation method as detailed on amended Schedule 1.

16 Any increases in costs necessitated or mandated by legislative or judicial
17 decisions or actions, other than penalties or fines due to negligence of the DISTRICT, shall not
18 be subject to the Annual Fee Limitation and shall be due in any fiscal year in which they are
19 incurred.

20 In the event CITY detaches from the DISTRICT, any unpaid Annual Fee
21 Limitation excess together with any outstanding Annual Fee payments due by the CITY as of
22 the effective date of the detachment shall be paid to the DISTRICT no later than the effective
23 date of detachment. Should a credit be due the CITY from DISTRICT, a refund shall be paid
24 to CITY no later than the effective date of detachment.

25 In the event DISTRICT terminates this Amended Agreement, any unpaid Annual
26 Fee Limitation excess shall be due and payable to the DISTRICT within two years from the
27 effective date of termination.

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1 IV. All other terms and conditions of the Agreement, as amended by Amendment Number
2 One, shall remain the same and in full force and effect.

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1 **IN WITNESS WHEREOF**, the City of Palos Verdes Estates has caused this
2 Amendment Number Two to the Annexation Agreement to be executed by its duly authorized
3 officer; and the Board of Supervisors of the County of Los Angeles, as the governing body of
4 the Consolidated Fire Protection District of Los Angeles County, has caused this Amendment
5 Number Two to the Annexation Agreement to be executed by its Mayor and attested by its
6 Clerk, on the day, month, and year noted herein below.

7
8 **CONSOLIDATED FIRE PROTECTION
DISTRICT OF LOS ANGELES COUNTY**

9
10 By _____
11 Mayor, Board of Supervisors

12
13 ATTEST:

14 JOANNE STURGES, Acting Executive Officer
15 Clerk of the Board of Supervisors

16
17 By _____
18 Deputy

19
20 (SEAL)

21
22 APPROVED AS TO FORM:

23 RAYMOND G. FORTNER, JR.
24 County Counsel

25 By _____
26 Deputy

7 **CITY OF PALOS VERDES ESTATES**

8
9 By _____
10 Mayor

11
12 ATTEST:

13
14 By _____
15 City Clerk

16
17 (SEAL)

18
19 APPROVED AS TO FORM:

20
21 By _____
22 City Attorney

**AMENDED SCHEDULE 1
ESTIMATED 1995-96 ANNUAL FEE
CITY OF PALOS VERDES ESTATES**

The estimated Fiscal Year 1995-96 annual fee for the City of Palos Verdes Estates will be as follows. An actual annual fee will be submitted to the City when all final figures are available.

<u>Station</u>	<u>Equipment</u>	<u>Staffing¹</u>	<u>Computation of estimated City Annual Fee</u>
Station 2	Engine	3	\$1,023,315
340 Palos Verdes Drive West	Paramedic Squad	<u>2</u>	<u>669,954</u>
Total Salary & Employee Benefits		5	\$1,693,269
Overhead @ 29.4651%²			\$498,923
Estimated 1995-96 City Annual Fee			\$2,192,192

F:BH:SCHED1.PVE

¹Constant staffing--number of persons always on duty.

²The definition of "District Overhead" is any actual Salary and Employee Benefits, Services and Supplies, Fixed Assets, and other charges expended by the District that are not identified as a separate charge in the City Annual Fee. The overhead percentage is a five-year average based on actual expenditures.